

May 11, 2011

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, North Dakota 58505-0480

**RE: Minnesota Power's Bison 3 Wind Project
Letter of Intent to Construct Energy Conversion Facility and Request to Shorten
the One-Year Time Requirement for Filing Application**

Dear Mr. Nitschke:

Minnesota Power¹ is pleased to announce its plans to construct an additional wind energy conversion facility ("Bison 3 Wind Project") in Oliver and Morton counties. The purpose of this letter is to: (1) notify the North Dakota Public Service Commission ("Commission") of Minnesota Power's intent to construct the wind energy conversion facility as required by N.D.C.C. § 49-22-07.1 and (2) request the Commission shorten the one-year waiting period between this notification and when an application for a Certificate of Site Compatibility can be submitted as established by N.D. Admin. Code 69-06-03-01 to one month. This request is made pursuant to N.D.C.C. § 49-22-07.2.

Minnesota Power has previously notified the Commission of its Bison 2 Wind Project and on April 6, 2011 submitted an application for a Certificate of Site Compatibility in Case No. PU-11-57. Minnesota Power's intentions are to permit the Bison 2 Wind Project separately due to engineering and turbine supply agreement milestones. Minnesota Power is bringing forward the Bison 3 Wind Project now in response to the Minnesota Public Utilities Commission ("MPUC") requesting, as part of Minnesota Power's recently approved Integrated Resource Plan ("IRP") (MPUC Docket No. E015/RP-09-1088), that the Company "give strong consideration" to additional North Dakota wind resources that can utilize for the benefit of ratepayers the federal Production Tax Credit prior to the current year-end 2012 expiration. Minnesota Power believes the Bison 3 Wind Project fulfills the MPUC's IRP decision and the Company will in the near future submit a filing seeking the MPUC's concurrence.

¹ Minnesota Power is an operating division of ALLETE, Inc. ALLETE's Certificate of Good Standing issued by the North Dakota Secretary of State was provided to the Commission in a letter dated October 31, 2008 in Case Nos. PU-08-847 and PU-08-848.

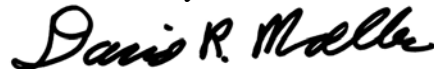
Turning to the specifics of the Bison 3 Wind Project, Minnesota Power is proposing to request Commission approval for the 105 MW project to be located in Oliver and Morton counties. Attachment A is a map of the proposed Bison 3 Wind Project. N.D. Admin. Code 69-06-03-02(2). Minnesota Power anticipates initial site work construction to commence by spring 2012 contingent on obtaining all necessary approvals from the Commission and local governments. N.D. Admin. Code 69-06-03-02(3)

The Bison 3 Wind Project will interconnect with the 230 kV Bison Substation and then be delivered to the Square Butte Substation. The wind energy will then be transmitted to Minnesota Power's system via the existing 250kV DC Line and existing AC transmission system as available and is intended to be used to meet Minnesota Power's State of Minnesota renewable energy and IRP requirements. N.D. Admin. Code 69-06-03-02(1). Minnesota Power estimates that this 105 MW project will cost approximately \$160 million depending on final project design. N.D. Admin. Code 69-06-03-02(4).

Minnesota Power expects to file the site permit application in June 2011 in order to obtain Commission approval by fall 2011. Therefore, Minnesota Power respectfully requests pursuant to N.D.C.C. § 49-22.07.2 that the Commission shorten the one-year waiting between filing this letter of intent and a siting application to one month. N.D. Admin. Code. 69-06-03-01. The original and ten copies of this waiver application are being filed with the Commission as required by N.D. Admin. Code 69-06-06-01.2.

If you have any questions, or need additional information, please contact me at the above-listed number.

Sincerely,

A handwritten signature in black ink that reads "David R. Moeller". The signature is written in a cursive, flowing style.

David R. Moeller

DRM:sr

Enc.

cc: Margaret Hodnik, Minnesota Power
Dave Schmitz, Minnesota Power
Frank Frederickson, Minnesota Power
Jim Atkinson, Minnesota Power

ATTACHMENT A

ALLETE - Minnesota Power

